Synopsis on

"A STUDY OF RETAIL MANAGEMENT IN ORGANIZED RETAIL OUTLET IN THANE DISTRICT."

Registration for the Doctor of Philosophy in Commerce.

Submitted to:

Research center

School of commerce and management science

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FEBRAURY 2015

“The study of retail management in organised retail outlet in Thane district with reference to customer behavior.”

Abstract:-

Retailing is one area of the broader term, e-commerce. Retailing is buying and selling both goods and consumer services. In India, retailing is one of the fastest growing industries. It is estimated to be the largest single sector (after agriculture) both in terms of turnover as well as employment. After leading the IT bandwagon, India is poised to grow as a retail hub.

Retailing is a convenient, convincing and comfortable method of selling goods and services. Retailing, though as old as business, trade and commerce has now taken new forms and shapes. This is because of new management techniques, marketing techniques and also due to ever changing and dynamic consumer psychology.

Retailing is a distribution channel function where one organization buys products from supplying firms or manufactures the product themselves, and then sells these directly to consumers. A retailer is a reseller (i.e., obtains product from one party in order to sell to another) from which a consumer purchases products. In the US alone there are over 1,100,000 retailers according to the 2002 US Census of Retail Trade. Only after 1991, after opening up of economy and due to liberalization, this organized sector has come to light and presently it exists in various formats which are as follows: • Super markets. • Hypermarkets. • Departmental stores.

Retail Industry, one of the fastest changing and vibrant industries in the world, has contributed to the economic growth of many countries. The term 'retail' is derived from the French word retailer which means 'to cut a piece off or to break bulk'. In simple terms, it implies a first-hand transaction with the customer. Retailing can be defined as the buying and selling of goods and services. It can also be defined as the timely delivery of goods and services demanded by consumers at prices that are competitive and affordable.

Retail Sector can be basically classified in to two segments. One is organized segment and another one is unorganized segment. As far as India is concerned this organized Retail segment contributes only to 3 percent of the retail trade and the unorganized segment contributes to remaining 97 percent of the retail trade. It is because all these days we have been purchasing only from the street vendors and from the local shops and organized retailing was liberalization, this organized sector has come to light and presently it exists in various formats

In the early trading days, the primary function of a retailer used to be conducting the entire marketing process starting from bringing the goods produced into contact with the customer. The rules of marketing were determined by the manufacturing companies due to their enormous economic power. However the liberalization policies and globalization privatization has changed the entire market structure due to the fact of changing perception of the consumers their buying behavior, lifestyles and competition. It today has become a fascinating phenomenon of the 21st century the world over, including India.

Introduction:-

Retailing in India is gradually inching its way toward becoming the next boom industry. The whole concept of shopping has altered in terms of format and consumer buying behavior, ushering in a revolution in shopping in India. Modern retail has entered India as seen in sprawling shopping centers, multi-storied malls and huge complexes offer shopping, entertainment and food all under one roof. The Indian retailing sector is at an inflexion point where the growth of organized retailing and growth in the consumption by the Indian population is going to take a higher growth trajectory.

Thane is one of the 36 districts in the Maharashtra state of India. The district is on the western coast and falls under the Konkan division of the state. Until 1 August 2014 the district was divided into 15 talukas, viz. Thane, Kalyan, Murbad, Bhiwandi, Shahapur, Vasai, Ulhasnagar, Ambarnath, Dahanu, Palghar, Talasari, Jawhar, Mokhada, Vada and Vikramgad. However on that date the district was split in two with the creation of a newPalghardistrict, which took 8 of these talukas, leaving the reduced Thane district comprising Thane, Kalyan, Murbad, Bhiwandi, Shahapur, Ulhasnagar and Ambarnath talukas.

An official Census 2011 detail of Thane, a district of Maharashtra has been released by Directorate of Census Operations in Maharashtra. Enumeration of key persons was also done by census officials in Thane District of Maharashtra.

In 2011, Thane had population of 11,060,148 of which male and female were 5,865,078 and 5,195,070 respectively. Thane District population constituted 9.84 percent of total Maharashtra population. In 2001 census, this figure for Thane District was at 8.39 percent of Maharashtra population.

Factors driving the organised retail sector include the following:-

§ Higher incomes driving the purchase of essential and nonessential products

§ Evolving consumption patterns of Indian customers

§ New technology and lifestyle trends creating replacement demand

§ Increase in rural income as well as urbanization

§ Increase in easy access to credit and consumer awareness

§ Growth of modern trade format across urban, Tier I, Tier II and Tier III cities and towns

§ Rapid urbanization and growing trend towards nuclear families.

Statistics about the growing middle class indicate that the retail scenario is only going to be better as published data by NCAER reveals that there are 17.4 million urban households in India, which classify as consumers.

Research done by consultants show that brand conscious urban customer segment is growing at a decadal rate of 3.2 percent (against decadal population growth of 2.13 percent during 1991-2001), consumer spending has increased by 11.5 percent annually and the retail prices in mega cities have been realistic. Mumbai is a classic example of this new retail development and it is interesting to study and assess the phenomenon of development of malls in Thane.

As a strategy, retailers continue to focus on improving the operations machinery of the business, shifting to low cost channels, promoting private labels, emphasis on increasing customer base, improving in cost structure, discounts and offers and innovative strategies such as 'flat discounts', sale during week hours of morning or late till midnight, are some of them.

According to a recent study by the McKinsey Global Institute, India is poised to become the fifth largest consumer market by 2025. With the largest population of „young people" in the world over 890 million people are below 45 years of age, India is indeed a resplendent market. As a result of economic growth, household incomes have risen at a fast pace and a change in consumer mindsets has been rather drastic. Today, even middle class consumers are loosening their purse strings, thriving on loans and credit cards and are on a spending juggernaut5.

From small towns to metros, India's new-found obsession with malls is visible everywhere. Retail activity in western India especially in Mumbai is growing thick

and fast. Almost all large retailers - such as the Future Group, Reliance, RPG, Lifestyle, Trent, the Rahejas, Pyramid Retail, etc. have set up shop here and have major expansion plans in place.

Reliance announced that it will invest $3.4 billion to become the country's largest modern retailer by establishing a chain of 1,575 stores by 20136. Considering the diversity in terms of taste and preferences existing in India, the retailers are going for experimentation to identify the winning format suited to different geographies and segments. For example, the taste in the west is different from that in the north or south and this brings challenges to the retailers. Therefore, many retailers are region-centric at this point in time. The Landmark group, which has its dominance in the western region, operates multiple formats such as hypermarket (Max), departmental store (Lifestyle), Shoe mart and Funcity12, etc. These changing scenarios fascinated the researcher in taking up this topic and conduct a thorough exploration in this field. The scope of this research covers the city of Mumbai and understanding the impact of retailing on the changing consumer behavior.

Objectives :-

1.To examine the factors contributing to the popularity of organized retail management.

2. To identify consumer behavior towards organized retail sectors with reference to retail management.

3. To study the existing Organized Retail Sector in Thane district.

4. To evaluate the culture of Retail industry with development of Mall Culture.

5.To suggest the effective measures to be adopted by organized retail sectors based in consumer behavior.

Hypotheses of the Study:-

- People from business people feel that the development of malls has created an impact on their budget

- Compared to women more men feel that the development of organized retail outlets have changed their buying behavior

- Service class people opine that products are cheap in organized retail outlets than in unorganized sectors and they end up in making impulsive purchase.

Literature Review:-

Thompson & Chen (1998),

Retail store image has been shown to play an important role in store patronage, and it is widely accepted that psychological factors have a significant role in store image formation. Past research has often involved the measurement of tangible attributes, or links between store images and consumers' self -images. This study was undertaken to move to the next stage by exploring the link between perceived store image and the personal values which underlie behavioral choices. Fashion retailing was selected as an appropriate research domain because of the well-established associations between clothing choice, personality, self concept, and personal values. Means-end theory and laddering methodology were employed in interviews with 30 female respondents. The hedonic values of "enjoyment and happiness" and quality of life" were found to be the terminal values most sought by consumers in association with store image. These were linked through the consequence "nice feeling" to the tangible attributes of "price", "quality" and "reputation". The study illustrates an application of means-end methodology in a retail environment, and the results provide a platform for fashion store image and positioning strategies. Suggestions for further research are made.

Erdem & Oumlil & Tuncalp (1999),

Retailing business is greatly affected by the patronage behavioral orientations of shoppers. Understanding these orientations can assist retailers in developing appropriate marketing strategies toward meeting the needs and wants of consumers. One important factor explaining consumer behavioral orientations is their values. Another important factor affecting consumer behavioral orientations is the store image, an image shaped by store attributes. This study examines the linkage between consumer values and the importance of some salient store attributes. Marketing management implications are also discussed.

Steve & Carralero (2000),

Argues that for many retailers, competitive advantage in the home market has been based upon the development of strong store and corporate images as retail restive

to develop themselves as brands in their own right. The construction of store image ,comprising both tangible and intangible dimensions, compounds problems of moving into international market as consumers in the host environment are less familiar with the intangible dimensions of image, which have been built up over time with exposure to the retail company.

Uusitalo (2001),

Grocery retailers are operating in a slow-growth market. The pursuit of market share is one of the main concerns for retail managers. The retail structure is becoming increasingly standardized and homogenous because of concentration of the ownership of stores. Cultural differences remain, however, between different European countries. Cultural factors influence the success of a positioning strategy. This study examined how consumers perceive grocery retail formats and brands in Finland. Data from personal interviews were used in highlighting the consumer perspective. Consumers perceive meaningful differences in various store formats, meanwhile store brands are seen as quite similar.

Paulins & Geistfeld (2003),

Consumer perceptions of retail store attributes for a set of particular stores were examined to determine their effect on store preference. Respondents rated13 stores. Four variables were found to affect store preference using forward stepwise logistic regression: type of clothing desired in stock, outside store appearance, shopping hours, and advertising. Significance of the effect of store attributes on store preference varied by store type.In addition, associations between customer perception of store attributes, education and age were observed. Implications for researchers and practitioners are discussed.

Gehrt & Yan (2004)

Most research related to consumer choice of retailers emphasizes retailer attributes and/or consumer characteristics. Since many retail formats, including online retailing ,have emerged in recent years, knowledge of how consumers select retail formats must be updated. A source of influence that has been examined to a very limited extent for store retailers but not for emerging retail formats is situational influence. From a modern interactions perspective, this study investigates the influence of situational as well as consumer and retailer factors on preference for online, catalog, and store formats.

Miranda & Kónya (2005),

To identify the factors that influence shoppers' satisfaction with their

“primary” grocery store, and those that encourage them to continue patronising it despite being

presented with a significant inducement to shop elsewhere. A structured questionnaire containing31 variables relating to shopping behaviour and satisfaction was administered to 934 shoppersleaving a number of grocery stores in an Australian city during a two-week period. Results wereused to construct two mathematical models predicting customer satisfaction and store loyalty,from which two research hypotheses were derived.The results of model estimation show thatfactors with a significant influence on store satisfaction have little in common with others thatimpel shoppers to remain loyal to one store.

Carpenter & Moore (2006),

To provide a general understanding of grocery consumers' retailformat choice in the US marketplace.A random sample of US grocery consumers (N=454) wassurveyed using a self-administered questionnaire. Descriptive and inferential statisticaltechniques (regression, ANOVA) were used to evaluate the data. Identifies demographic groupswho frequent specific formats (specialty grocers, traditional supermarkets, supercenters,warehouse clubs, internet grocers) and examines store attributes (e.g. price competitiveness, product selection, and atmosphere) as drivers of format choice.

Da Silva & Syed Alwi (2008),

The purpose of this paper is to look into the relationship between the physical aspect of a retail store, product-related attributes, personal interaction with customers and perceived reliability and corporate brand image in an offline or bricks and mortar context. The study is based on 511 interviews conducted in various bookstores and use structural equation modeling as a statistical tool for concluding the above .The paper argues that physical aspect of a retail store, product-related attributes and personal interaction with customers will have a significant and positive direct effect on the offline corporate brand image whilst there was no significant connection between reliability and corporate brand image.

Brengman & Willems (2009),

The purpose of this paper is to identify the main determinants of fashion store personality, as perceived by the shopper. It aims to discover factors that are responsible for specific store personality trait perceptions in order to understand how these humanlike personality traits are induced in a retailing context. With this end in mind, a qualitative exploratory study was undertaken. A total of 70 in-depth semi-structured interviews were conducted with a convenience sample of Belgian adult respondents to systematically assess the connotations of the 34 different store personality trait descriptors put forward by D'astous and Lévesque. Respondents were asked which fashion stores they considered to embody these specific personality traits and they were probed for the sources of inference they used. The findings reveal that the store environment and store design particularly is an important factor in determining the personality of fashion stores.

Saraswat & Mammen & Aagja et al (2010),

The opening up of the Indian retail sector has seen a proliferation of the corporate players through different retail formats and stores the majority being in the food and groceries. This necessitates creating, building, and managing differentiated retail store brands, and image differentiation, to attract and retain shoppers. This research paper attempts to understand whether the Indian consumers differentiate the various store brands and images based on their experiences. The study was conducted in two stage list of parameters of evaluation of retail store image (developed from the literature), discussed with middle-level managers from the retail sector to finalize parameters relevant for store image measurement in the Indian context and a questionnaire evolved for primary data collection, administered to 326SEC A and B respondents (shoppers of food and grocery from modern retail stores). To assess the store image dimensions perceived by these shoppers, factor analysis was employed and for understanding various store image attributes used for differentiation of store brands one-way analysis of variance was employed.

Prasad & Aryasri (2011),

Retailing in India is an unchartered territory. Food and grocery is the most promising area for setting up retail business in India. An understanding of shopper retail format choice behavior will enable **retailers** to segment their market and target specific consumer groups with strategies premeditated to meet their retail needs. The purpose of this paper is to make a detailed study on the effect of shoppers' demographic, geographic and psychographic dimensions in terms of format choice

behavior in the fast growing Indian food and grocery retailing. Descriptive research design is adopted applying mall intercept survey method using structured questionnaire for data collection. Both descriptive (mean and standard deviation) and inferential statistical tools like , factor analysis and multivariate analysis are used to analyse the data collected from 1,040 food and grocery retail customers from upgraded neighborhood kirayna stores, convenience stores, supermarkets and hypermarkets in conjoint cities of Secunderabad and Hyderabad in Andhra Pradesh in India. The findings suggest that shoppers' age, gender, occupation, education, monthly household income, family size and distance travelled to store have significant association with retail format choice decisions.

Bala (2012),

The purpose of this paper is to develop a forecasting model for retailers based on customer segmentation, to improve performance of inventory. The research makes an attempt to capture the knowledge of segmenting the customers based on various attributes as an input to the demand forecasting in a retail store. The paper suggests a data mining model which has been used for forecasting of demand. The proposed model has been applied for forecasting demands of eight SKUs for grocery items in a supermarket. Based on the proposed forecasting model, the inventory performance has been studied with simulation. The proposed forecasting model with the inventory replenishment system results in the reduction of inventory level and increase in customer service level. Hence, the proposed model in the paper results in improved performance of inventory. Retailers can make use of the proposed model for demand forecasting of various items to improve the inventory performance and profitability of operations.

Significance and Statement of research:-

With the increase in competition in the business world, it is very important to survive and so there has been a revolution in marketing and the Indian consumer changing rapidly. Retail management has become an important activity as it has been seen that the nations have enjoyed the greatest economic and social progress due to this sector. This sector has become popular also because there is easy accessibility to variety of products, freedom of choice and also higher level of consumer services. In retail management organized sector plays a very important role as it is the modern version of retailing which was established in India in the 20th century.

The aim of this study is to evaluate and understand the effectiveness of the organized retail outlets especially in Thane and also to know how the consumer

behavior fluctuates in making decisions to use their resources such as time money and efforts for buying and disposing of goods and services. This momentum and magnitude of growth of Retail management in organized sector and also the fluctuation in consumer behavior has initiated the researcher to conduct a planned study

Scope of the Study

The topic under the study covers the study of retail management in organized retail outlets in Thane district and its impact on consumer behavior. The study was conducted in Thane taking the multiple formats of organized retail operators, the malls, departmental stores and hyper city. This study will help the retailers to understand the underlying principles of consumer behavior. This will also help the retailer to understand what sort of merchandise mix he should display, what should be the marketing mix and the promotion mix, what kind of visual merchandising and store layout should be planned and what kind of location to prefer keeping in mind the customer preferences. Retailers also have to keep in mind the major factors that were discussed and the attitudinal shift towards malls and organized retailers to face the competition better. This study also will give a insight to the mall operators to keep a keen eye on the management of their staff for the motivational and satisfaction of their staff to be increased.

Research Methodology

i)Secondary Data :-

The main sources of data are:

i. Various Reference Books on the topics concerned along with Articles in Newspaper, Magazines and Journals published from time to time have been referred.

ii. Visit to Retailers Association of India (RAI) Thane to refer reports and statistics published by them and to understand the concepts and to use the data, so that there can be a right approach towards the study.

iii. Information was also collected from Internet.

II) Primary Data

The topic is based on primary data collection mainly to get the factual responses from the retailers, policy makers and planners from malls and the consumers in Thanei. The instruments like questionnaires were used for primary data collection from the retailers, policy makers and planners from malls and the consumers.

Interviews of major players in organized retailing, large manufacturers, and small manufacturers were also conducted .Following methodology will be adopted to collect the essential information to analyses and accurate results:

- Direct visits
- Interview
- Questionnaires

Data collection through primary source included information obtained from the consumers, retailers and mall managers this was obtained through field work. The researcher prepared three types of questionnaires and the questions were closed ended.

Tools Employed:-

Various statistical tools will be use such as pie charts ,histogram to bring out the point more clearly .While presenting argument in theory, diagrammatic structural. Graphic representation will sort on some cases.

Sample:-

The final sample analysed for primary and secondary data would be 100 retail outlets and 150 consumers in Thane district.

Justification for the sample :-

The sample selected for the purpose of research is justified on the following grounds :

- The sample size is large and adequate.
- Sample fairly represents the population under study.
- The sample consider various retail outlets and consumers.
- Considering the sample size ,various techniques can be applied to evaluate data.

Limitation of study :-

The present study is largely exploratory in nature and focuses on the impact of organized retail outlets in Mumbai. Thus not withstanding its richness of data, it

lacks control of variables (either through experimental design or through statistical techniques) influencing the research results, therefore the expectations are not fully satisfied, it would have been idle if the researcher would have conducted research covering entire country of India, but time, cost and other resources have been a constant factor. Therefore the researcher confined herself to Mumbai, so there is a scope to improve it. Mall culture has thrived rapidly throughout India and this created a distinctive effect on consumer behavior the researcher tried to find out the reasons and development of these malls and the effect of these malls in the future on the behavior of the consumer. But since this was the research conducted by an individual who has the constraints of physical ability, time and cost therefore it was limited to the city of Thane.

Other limitations may arise considering the volatile nature of the Indian economy which witnessed a period of recession in the year 2011. The researcher conducted the entire research in the period of recession and when the retail industry is facing a major problem of FDI. The recession has put brakes to the growth of the Indian economy and to what extent it will affect the economy in the future remains to be seen. Therefore the conclusion drawn by the researcher after the research may not provide the required benefit and will result in dilution.

The present study is largely exploratory in nature and focuses on the impact of organized retail outlets in Mumbai. Thus not withstanding its richness of data, it lacks control of variables (either through experimental design or through statistical techniques) influencing the research results, therefore the expectations are not fully satisfied, it would have been idle if the researcher would have conducted research covering entire country of India, but time, cost and other resources have been a constant factor. Therefore the researcher confined herself to Mumbai, so there is a scope to improve it. Mall culture has thrived rapidly throughout India and this created a distinctive effect on consumer behavior the researcher tried to find out the reasons and development of these malls and the effect of these malls in the future on the behavior of the consumer.

Tentative Chapter Proposal :-

Chapter 1 – Introduction

Chapter 2 – Conceptual framework of retail marketing management

Chapter 3 - Review of literature

Chapter 4 - Overview of Retail Trade in India

Chapter 5 - Consumer Behavior in Organized Retail Outlets.

Chapter 7 - Future of Indian Retail Sector

Chapter 8 – Analytical Study of organized Retail Outlets in Thane district.

Chapter 9 – Conclusions and Findings

Chapter 10 – Suggestions

Appendix

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